FILE COPY

Office - Supreme Court
FILED
JAN 31 19
CHARLES ORO
CLA

IN THE

Supreme Court of the United States

OCTOBER TERM, 1947.

No. 506

A. B. T. MANUFACTURING CORPORATION,
Petitioner,

vs.

NATIONAL SLUG REJECTORS, INC.,
Respondent.

REPLY BRIEF FOR PETITIONER

Re Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Seventh Circuit.

CLARENCE E. THREEDY,
Attorney for Petitioner,
111 West Washington Street,
Chicago, Illinois.

THE BUNTHORP-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

IN THE

Supreme Court of the United States

OCTOBER TERM, 1947.

No. 506

A. B. T. MANUFACTURING CORPORATION,
Petitioner,

vs.

NATIONAL SLUG REJECTORS, INC.,
Respondent.

REPLY BRIEF FOR PETITIONER.

Re Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Seventh Circuit.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, A. B. T. Manufacturing Corporation, presents this, its reply to respondent's brief filed in opposition to petitioner's petition for writ of certiorari.

I.

Respondent argues (p. 9) that the Circuit Court of Appeals by its decision in the case at bar, did not modify the patent statute, Section 4886. It also argues in its brief (p. 8) that the Circuit Court of Appeals did not decide a Federal question in conflict with the decisions of other Circuit Courts of Appeals and the decisions of this court.

In the decision in the case at bar, the Circuit Court of Appeals said (R. 524) with respect to the patent statute, Section 4886, 35 U. S. C. 31:

> "There must be *novelty;* there must be *utility.* The Statute exacts *nothing more.*"

This court in *Cuno Engineering Corporation* v. *Automatic Devices Corporation,* 314 U. S. 84, 62 S. Ct. 37, 86 L. Ed. 58, 51 USPQ 272, said:

> "Under the statute (35 U. S. C. 31, R. S. 4886) the device must not only be 'new and useful,' it must also be an 'invention' or 'discovery'."

Considered together, the two decisions are, contrary to respondent's argument, in direct conflict. Both cannot prevail.

The two decisions, contrary to respondent's argument, when considered together, clearly show that the Circuit Court of Appeals, by its decision in the case at bar, did modify the patent statute by eliminating therefrom the requirement of invention. The unambiguous language employed by the Circuit Court of Appeals in its decision affords no other conclusion.

The respondent further argues that there is no question presented which is of public interest; that the petitioner by its petition seeks merely to review the question of anticipation. Petitioner's supporting brief speaks to the contrary.

A question of tremendous public importance is presented. The public has a vital interest in the patent statute. When a Circuit Court of Appeals interprets that statute in a manner contrary to the applicable decisions of this court, as did the Circuit Court of Appeals in the instant case, the public welfare is jeopardized and the question presented thereby becomes of great public importance.

II.

Respondent contends that this is an ordinary patent case.

No "ordinary" patent case involves a situation wherein a new phase of patent jurisprudence is established; a situation by which the public interest and welfare are jeopardized by patent monopoly, by a decision of a Circuit Court of Appeals holding, in conflict with the applicable decisions of other Circuit Courts of Appeals and particularly the decisions of this court, that the patent statute exacts *nothing more* than *novelty* and *utility* to constitute a device patentable.

The respondent endeavors to minimize this holding of the Circuit Court of Appeals by pointing out (pp. 8-10) that the Circuit Court of Appeals in the case at bar recognized that there must be something present which modifies the kind or quality of the *novelty*,* something about the *novelty* which makes the new in the mechanism something to cause the court to say, "Here an inventor labored."

---

* Referred to in the decision of the Circuit Court of Appeals in the case at bar as "patentable novelty," a few of such instances being:

"The Courts * * * have long recognized that there must be something present which modifies the kind or quality of the novelty." (R. 524.)

"As the years and decades have passed by, it is quite clear that the test of *patentable novelty* has grown more and more severe and exacting." (R. 525.)

"The second significant factor is the rule of law applicable to a case where the controversy is narrowed to the issue of *patentable novelty* and where it is established that utility and novelty exist. Upon such a showing the courts have placed the burden upon the infringer to show the *novelty was not patentable.*" (R. 529.)

"* * * the burden was on the infringer, to show the *novelty* was insufficient." (R. 529.)

"* * * a long line of decisions holds that the invalidity may be declared where the *novelty* represents only the action of a mechanic." (R. 530.)

The respondent has failed to recognize, as did the Circuit Court of Appeals, that it is the art, machine, manufacture, or composition of matter, which must display invention. It is not the novelty exhibited by that art, machine, manufacture or composition of matter. Respondent has failed to recognize, as did the Circuit Court of Appeals in the case at bar, that *each requirement of the patent statute is a complement to the other.* They do not separably constitute patentability.

III.

Contrary to respondent's contention (pp. 8-9), the Circuit Court of Appeals in its decision did decide the validity of claims 21 upon the theory that the patent statute exacted nothing more than novelty and utility to constitute a device patentable thereunder. This becomes evident when it is observed that before the Circuit Court of Appeals decided the validity of claim 21 in issue, it made the basis for such decision a holding (R. 524) that the patent statute exacted nothing more than *novelty* and *utility.*

IV.

The mere unsupported conclusions (p. 9) on the part of respondent's brief writer are not persuasive that the Circuit Court of Appeals in the decison of the case at bar, did not affirm its previous rejection, in *Chicago Steel Foundry Co.* v. *Burnside Steel Foundry Co.,* 132 F. 2d 812* (cited as supporting authority in the decision of the case at bar),

---

In that case the Circuit Court of Appeals said:

* "Approaching the specific question in this case—the patentable novelty of the apparatus described in the two claims of plaintiff's patent here involved, we are *rejecting the flash of genius test.* We are adhering to the view which we believe all scientific knowledge and advance in knowledge is built on—the step by step advance—the test and error method. Also we are following the view that invention lies in, and must be determined by, the product, not in the mental activities or contortions that brought it forth."

of the test of invention as announced by this court in the Cuno case, *supra.*

The Circuit Court of Appeals by the following language in the decision of the case at bar (R. 526):

> "The tests, the measuring standards, are not a fixed and universally applied measure. At best, the standard is relative in nature and is created by each judge as he seeks to measure the advance of the alleged inventor. Uncertainty is almost sure to accompany relativity in testing methods. One court *will reject* what another accepts as patentable novelty, solely because of the difference in measuring standards."

did affirm such previous rejection.

V.

The respondent's brief makes no reply to the subject matter of petitioner's supporting brief appearing under the heading "Point III" (p. 18).

VI.

The mere conclusions on the part of the respondent's brief writer are not sufficient to traverse the affidavit of Patzer (see Appendix, petitioner's supporting brief), which affidavit shows that the patent dominates an industry representing an investment of more than Two Hundred Fifty Million Dollars and which industry is the only user of the coin selector here involved. This affidavit clearly shows that there is no likelihood of conflict of decisions with respect to the claim involved. The showing of this affidavit, coupled with the important questions presented, warrants the granting of the petition for writ of certiorari. *Exhibit Supply Co.* v. *Ace Patents Corporation,* 315 U. S. 126; *Halliburton Oil Well Cementing Co.* v. *Walker,* 329 U. S. 1, 71 USPQ 175.

VII.

While respondent makes the frequent charge that the petition presented is not fair or accurate and is not based on the record or the opinion below, respondent in no single instance makes reference to the record or the opinion below to support this unfounded charge.

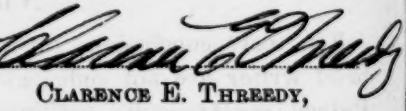
As respondent charges that the petitioner's petition for writ of certiorari has been filed for the purpose of delay, counsel for petitioner hereby certifies that the petition was filed in good faith, is well-founded both in fact and in law, and is not for the purpose of delay.

Conclusion.

The petition for writ of certiorari should be granted.

Respectfully submitted,

A. B. T. MANUFACTURING CORPORATION,
Petitioner,

By 
CLARENCE E. THREEDY,
Its Attorney.